

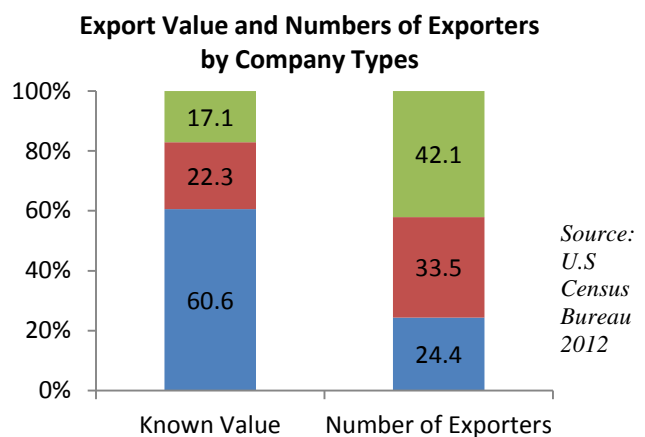
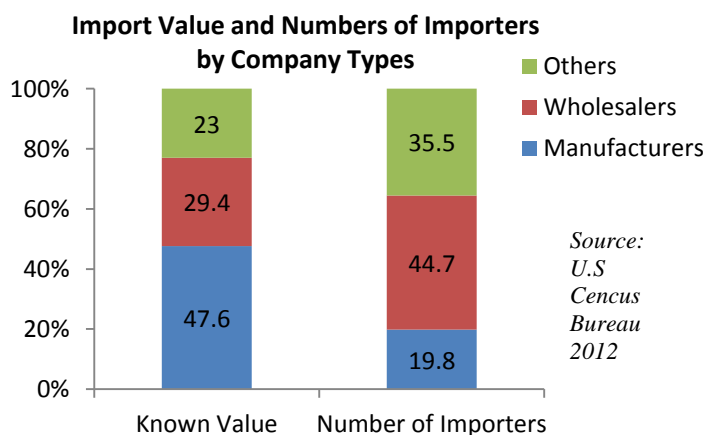
## Fast Facts on California's International Economy

Compiled by: Assembly Committee on Jobs, Economic Development and the Economy  
Jose Medina, Chair

If California were a country, it would stand among the ten largest economies in the world, with a 2013 state GDP of \$2.2 trillion.<sup>1</sup> Exports out of California were valued at \$168 billion in 2013 and represented 10.6% of total U.S. exports.<sup>2</sup> Imports into California were valued at \$380 billion in 2013 and represented 16.8% of total U.S. imports.<sup>3</sup>

### California and World Markets

- In 2013, California's GDP totaled \$2.2 trillion.<sup>4</sup>
- California exported \$168 billion in products in 2013 as compared to \$161 billion in 2012 and \$159 billion in 2011.<sup>5</sup>
- California's largest export market is Mexico, where the value of exports totaled \$23.9 billion in 2013. After Mexico, California's top export markets in 2013 were: Canada (\$18.8 billion); China (\$16.3 billion); Japan (\$12.7 billion); South Korea (\$8.4 billion); Hong Kong (\$7.8 billion); Taiwan (\$7.5 billion); Germany (\$5.6 billion); India (\$5.2 billion); and the Netherlands (\$4.7 billion).<sup>6</sup>
- California's top five exports in 2013 were: Computer & Electronic Products (\$42.3 billion); Transportation Equipment (\$17.7 billion); Machinery, Except Electrical (\$15.1 billion); Miscellaneous Manufactured Commodities (\$14.6 billion); and Agricultural Products (\$13.7 billion).<sup>7</sup>
- California exported \$23.9 billion in products to Mexico in 2013. The top five exports to Mexico were: Computer and Electronic Products (\$5 billion); Transportation Equipment (\$2.5 billion); Machinery, except Electrical (\$2 billion); Petroleum and Coal Products (\$1.5 billion); and Chemicals (\$1.5 billion).<sup>8</sup>
- California's second largest export market is Canada, with exports totaling \$18.8 billion in 2013. The top five exports to Canada were: Computer & Electronic Products (\$5.5 billion); Agricultural Products (\$2.6 billion); Transportation Equipment (\$1.7 billion); Food Manufactures (\$1.2 billion); and Machinery, Except Electrical (\$949.5 million).<sup>9</sup>
- In 2013, California exported \$16 billion in products to China. The top five exports to China were: Computer and Electronic Products (\$5 billion); Waste and Scrap (\$2.3 billion); Transportation and Equipment (\$1.6 billion); Machinery, except Electrical (\$1.5 billion); and Agricultural Products (\$1.2 billion).<sup>10</sup>
- China is the largest source of imports into California. The 2013 value of Chinese imports was \$130 billion, followed by Japan (\$38.3 billion); Mexico (\$36.2 billion); and Canada (\$26.3 billion).<sup>11</sup>



### Trade and Jobs

- There were 864,913 companies in California in 2012.<sup>12</sup> Of those companies, a total of 75,012 (9%) exported goods from California, 71,921 (95.9%) were small and medium-sized companies with fewer than 500 employees.<sup>13</sup>
- Small and medium-sized companies generated 44.6% of California's total exports of merchandise in 2012.<sup>14</sup>
- Across the U.S. small and medium-sized companies contributed to 32.6% of all export values and 97.7% of total exports in 2012.<sup>15</sup>
- In 2012, California had the highest number of small and medium-sized exporting companies at 71,921, followed by Florida with 58,976 exporting companies.<sup>16</sup>

- In 2012, merchant wholesalers of durable goods made up the highest number of small and medium-sized exporters and generated the highest values of all export industries at \$94.5 billion. Small and medium-sized companies made up of 96.6% of manufacturing exporters, 99.2% of exporting wholesalers.<sup>17</sup>

### **California's Trade Infrastructure**

- In January 2010, President Barack Obama announced the National Export Initiative (NEI) to double the country's total exports by the end of 2014. The initiative also calls for improvements of the U.S.'s transportation and supply chain infrastructure to enable exporters to transport their goods to ports quickly and inexpensively. Exports continued to grow in the first three months of 2013 and reached a record high in the first quarter with \$554.7 billion in value.<sup>18</sup>
- Most recent datum suggests that U.S. exports are progressing. In 2012, U.S. exports hit an all-time record of \$2.2 trillion, supporting 9.8 million U.S. jobs, up 1.3 million since 2009. The employment number suggests that the NEI is ahead of schedule in meeting the President's goal in adding 2 million export-supported jobs by the end of 2014.<sup>19-20</sup>
- In 2012, California's export shipments of merchandise totaled \$168 billion, a 28.6% increase from 2009.<sup>21</sup>
- The Port of Los Angeles continues to hold the top rank of two-way trade in 2012 (valued at \$284.1 billion). It is followed by JFK International Airport (\$184.3 billion) and the Port of Houston (\$176.8 billion).<sup>22</sup> Data on California's other major ports are as follow: Long Beach (\$101 billion, ranked 9th); Los Angeles International Airport (\$86.9 billion, ranked 12th); San Francisco International Airport (\$49.3 billion, ranked 20th); Port of Oakland (\$44.3 billion); Otay Mesa Station (\$34.9 billion).<sup>23</sup>
- In 2012, ports in Northern California recorded a 1.6% increase in tonnage from the previous year, accounting for nearly 37.6 million short tons (one short ton is equivalent to 2,000 pounds). Southern California also experienced a slight increase in tonnage from 59.9% to 61%.<sup>24</sup>
- One study recorded by the Government Accountability Office (GAO) shows that in 2008, commercial wait times at the top five border crossings with Mexico resulted in \$1.9 billion in direct economic loss, 4,939 jobs, and a labor income loss of \$322 million.<sup>25</sup>
- Another study recorded by the GAO suggests that in 2011, delays in both northbound and southbound commercial traffic at the Calexico East border crossing resulted in economic losses of \$49 million and 334 jobs in Imperial County, as well as losses of \$98 million and 1,000 jobs in the state of California.<sup>26</sup>
- In the same study, the National Center for Risk and Economic Analysis of Terrorism estimated that adding one U.S Customs and Border Protection officer to any of the top 5 U.S-Mexico border crossing would result in wait time reductions ranging from 1.5 minutes to 7.2 minutes in peak hours, which translates to direct economic benefits of \$915,000 in GDP and 9.3 additional jobs.<sup>27</sup>

### **California and Foreign Direct Investment (FDI)**

- In 2012, the U.S is the largest recipient of FDI in the world at \$166 billion.<sup>28</sup>
- Japan, Canada, Australia, and 7 other EU countries contribute up to 83.5% of FDI inflows to the U.S.<sup>29</sup>
- FDI contributes to: higher employment (4.7% private workforce), higher wages than national standards (30% higher than American establishments), higher competitiveness among firms and boost exports, stronger manufacturing base (15% manufacturing jobs in the nation), greater research and development (\$40 billion in 2008, \$187 billion on plants and equipment), and higher overall productivity for the economy.<sup>30</sup>
- California has the highest numbers of employees of foreign affiliates numbered at 636 million.<sup>31</sup>
- The top 5 regions with the highest foreign owned and affiliated businesses are Gateway Cities (796 establishments), South Bay-LAX (741 establishments), San Fernando Valley (725 establishments), San Gabriel Valley (698 establishments), West Side (415 establishments).<sup>32</sup>
- The top 5 cities with the highest concentration of foreign owned and affiliated businesses are Los Angeles (1591 establishments), Torrance (310 establishments), Long Beach (212 establishments), Santa Monica (134 establishments), Pasadena (127 establishments).<sup>33</sup>

<sup>1</sup> <http://www.bea.gov/iTable/iTable.cfm?reqid=99&step=1#reqid=99&step=11&isuri=1&9993=levels&9936=-1&9935=-1&9934=5&9995=beastandard&9904=naics&9905=1&9907=2013&9990=99&9901=1200&9902=1&9903=200>; Bureau of Economic Analysis, "Gross Domestic Product by State, last updated June 11, 2014, accessed June 24, 2014

<sup>2</sup> <http://www.census.gov/foreign-trade/statistics/state/data/ca.html>; United States Census Bureau, "State Exports via California," accessed June 24, 2014, 2014

<sup>3</sup> <http://www.census.gov/foreign-trade/statistics/state/data/imports/ca.html>; United States Census Bureau, "State Imports for California," accessed June 24, 2014

<sup>4</sup> <http://www.bea.gov/iTable/iTable.cfm?reqid=99&step=1#reqid=99&step=11&isuri=1&9993=levels&9936=-1&9935=-1&9934=5&9995=beastandard&9904=naics&9905=1&9907=2012&9990=99&9901=1200&9902=1&9903=200>; Bureau of Economic Analysis, "Gross Domestic Product by State, last updated June 11, 2014, accessed June 24, 2014

<sup>5</sup> <http://www.census.gov/foreign-trade/statistics/state/data/ca.html>; United States Census Bureau, "State Exports via California," accessed June 24, 2014

<sup>6</sup> <http://tse.export.gov/TSE/MapDisplay.aspx>; International Trade Administration, "2013 NAICS Total All Merchandise Exports from California," accessed June 24, 2014

<sup>7</sup> <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Administration, "2013 NAICS Total All Merchandise Exports from California to the World," accessed June 24, 2014

<sup>8</sup> <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Administration, "2013 NAICS Total All Merchandise Exports from California to Mexico," accessed June 24, 2014

<sup>9</sup> <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Administration, "2013 NAICS Total All Merchandise Exports from California to Canada," accessed June 24, 2014

<sup>10</sup> <http://tse.export.gov/TSE/ChartDisplay.aspx>; International Trade Administration, "2013 NAICS Total All Merchandise Exports from California to China," accessed June 24, 2014

<sup>11</sup> <http://www.census.gov/foreign-trade/statistics/state/data/imports/ca.html#ctry>; United States Census Bureau, "Total U.S. Imports via California," accessed June 24, 2014

<sup>12</sup> <http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl>; United States Census Bureau, "2011 County Business Patterns (NAICS): California," accessed June 24, 2014

<sup>13</sup> <http://www.trade.gov/mas/ian/statereports/states/ca.pdf>; International Trade Administration, "California: Exports, Jobs, and Foreign Investment," last revised June 2014, accessed June 24, 2014

<sup>14</sup> <http://www.trade.gov/mas/ian/statereports/states/ca.pdf>; International Trade Administration, "California: Exports, Jobs, and Foreign Investment," last revised April 2013, accessed June 24, 2014

<sup>15</sup> <http://www.census.gov/foreign-trade/Press-Release/edb/2012/edbrel.pdf>; U.S. Census Bureau News, "A Profile of U.S Importing and Exporting Companies, 2011-2012", accessed June 25, 2014

<sup>16</sup> <http://www.census.gov/foreign-trade/Press-Release/edb/2012/edbrel.pdf>; U.S. Census Bureau News, "A Profile of U.S Importing and Exporting Companies, 2011-2012", accessed June 25, 2014, page 5

<sup>17</sup> <http://www.census.gov/foreign-trade/Press-Release/edb/2012/edbrel.pdf>; U.S. Census Bureau News, "A Profile of U.S Importing and Exporting Companies, 2011-2012", accessed June 25, 2014, page 54

<sup>18</sup> <http://cdn.laedc.org/wp-content/uploads/2013/05/ITO-2013-REPORT-FINAL.pdf>; Los Angeles County Economic Development Corporation, "International Trade Outlook: The Southern California Region, 2013-2014," accessed April 1, 2014

<sup>19</sup> <http://www.calchamber.com/International/Trade/Documents/NEI-Anniversary-Fact-Sheet.pdf>; International Trade Administration, "National Export Initiative Celebrates Three Years," accessed June 26, 2014

<sup>20</sup> [http://www.whitehouse.gov/sites/default/files/nei\\_report\\_091510\\_extended.pdf](http://www.whitehouse.gov/sites/default/files/nei_report_091510_extended.pdf); The White House, "Report to the President on the National Export Initiative: The Export Promotion Cabinet's Plan for Doubling U.S. Exports in Five Years," accessed June 26, 2014

<sup>21</sup> <http://tse.export.gov/TSE/MapDisplay.aspx>; International Trade Administration, "2012 NAICS Total All Merchandise Exports From California," accessed May 14, 2013

<sup>22</sup> <http://cdn.laedc.org/wp-content/uploads/2013/05/ITO-2013-REPORT-FINAL.pdf>; Los Angeles County Economic Development Corporation, "International Trade Outlook: The Southern California Region, 2013-2014," accessed June 26, 2014

<sup>23</sup> <http://cdn.laedc.org/wp-content/uploads/2013/05/ITO-2013-REPORT-FINAL.pdf>; Los Angeles County Economic Development Corporation, "International Trade Outlook: The Southern California Region, 2013-2014," accessed June 26, 2014

<sup>24</sup> <http://cdn.laedc.org/wp-content/uploads/2013/05/ITO-2013-REPORT-FINAL.pdf>; Los Angeles County Economic Development Corporation, "International Trade Outlook: The Southern California Region, 2013-2014," accessed June 26, 2014

<sup>25</sup> <http://www.gao.gov/assets/660/656140.pdf>; United State Government Accountability Office, "U.S-Mexico Borders: CBP Actions Needed to Improve Wait Time Date and Measure Outcomes of Trade Facilitation Efforts" accessed June 26, 2014, page 55.

<sup>26</sup> <http://www.gao.gov/assets/660/656140.pdf>; United State Government Accountability Office, "U.S-Mexico Borders: CBP Actions Needed to Improve Wait Time Date and Measure Outcomes of Trade Facilitation Efforts" accessed June 26, 2014, page 55.

<sup>27</sup> <http://www.gao.gov/assets/660/656140.pdf>; United State Government Accountability Office, "U.S-Mexico Borders: CBP Actions Needed to Improve Wait Time Date and Measure Outcomes of Trade Facilitation Efforts" accessed June 26, 2014, page 52.

<sup>28</sup> [http://www.whitehouse.gov/sites/default/files/2013fdi\\_report\\_-\\_final\\_for\\_web.pdf](http://www.whitehouse.gov/sites/default/files/2013fdi_report_-_final_for_web.pdf); Executive Summary Foreign Direct Investment in the United States, accessed July 24, 2014.

<sup>29</sup> [http://www.whitehouse.gov/sites/default/files/2013fdi\\_report\\_-\\_final\\_for\\_web.pdf](http://www.whitehouse.gov/sites/default/files/2013fdi_report_-_final_for_web.pdf); Executive Summary Foreign Direct Investment in the United States, accessed July 24, 2014.

<sup>30</sup> <http://www.calchamber.com/international/trade/pages/foreigndirectinvestment.aspx>; Impacts of Foreign Direct Investment in the U.S Economy, accessed July 24, 2014.

<sup>31</sup> [http://asiasociety.org/files/pdf/Asia\\_Society\\_China\\_CA\\_Investment\\_Report\\_FINAL.pdf](http://asiasociety.org/files/pdf/Asia_Society_China_CA_Investment_Report_FINAL.pdf); Chinese Direct Investment in California (2012), accessed July 24, 2014.

<sup>32</sup> <http://laedc.org/reports/FDI-2009.pdf>; "Foreign Direct Investment in Los Angeles Country: Final Report and Survey Results, page 6, May 2009, accessed July 24, 2014

<sup>33</sup> <http://laedc.org/reports/FDI-2009.pdf>; "Foreign Direct Investment in Los Angeles Country: Final Report and Survey Results, page 6, May 2009, accessed July 24, 2014.